

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

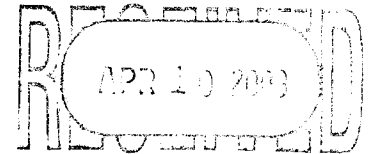
**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**



E-01787A  
Navopache Electric Cooperative, Inc.  
P. O. Box 308  
Lakeside AZ 85929-0000

**ANNUAL REPORT**

ARIZONA CORPORATION  
COMMISSION



**FOR YEAR ENDING**

12	31	2002
----	----	------

Director of Utilities

*Entered  
4-10-03  
C.M.  
2002  
assessment  
ab updated  
C.M.*

FOR COMMISSION USE

ANN 01	02
--------	----

## COMPANY INFORMATION

**Company Name (Business Name)** NAVOPACHE ELECTRIC COOPERATIVE, INC.

**Mailing Address** 1878 W WHITE MOUNTAIN BLVD

(Street)

LAKE SIDE

ARIZONA

85929

(City)

(State)

(Zip)

(928) 368-5118

(928) 368-6038

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** podair@navopache.org

**Local Office Mailing Address** PO BOX 308

(Street)

LAKE SIDE

ARIZONA

85929

(City)

(State)

(Zip)

(928) 368-5118

(928) 368-6038

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** PAUL O'DAIR

MANAGER OF FINANCIAL SERVICES

(Name)

(Title)

1878 W WHITE MOUNTAIN BLVD

LAKE SIDE

ARIZONA

85929

(Street)

(City)

(State)

(Zip)

(928) 368-5118 ext. 206

(928) 368-6038

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** podair@navopache.org

**On Site Manager:** WAYNE A RETZLAFF

(Name)

1878 W WHITE MOUNTAIN BLVD

LAKE SIDE

ARIZONA

85929

(Street)

(City)

(State)

(Zip)

(928) 368-5118

(928) 368-6038

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** wretzlaff@navopache.org

**Statutory Agent:** MARILYNN SHORT

(Name)

1878 W WHITE MOUNTAIN BLVD

(Street)

LAKESIDE

(City)

ARIZONA

(State)

85929

(Zip)

(928) 368-5118

Telephone No. (Include Area Code)

(928) 368-6038

Fax No. (Include Area Code)

                      
Pager/Cell No. (Include Area Code)

**Attorney:** MARTINEZ & CURTIS PC

(Name)

2717 N SEVENTH ST

(Street)

PHOENIX

(City)

ARIZONA

(State)

85006

(Zip)

(602) 248-0372

Telephone No. (Include Area Code)

(602) 266-8290

Fax No. (Include Area Code)

                      
Pager/Cell No. (Include Area Code)

## OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☒ Other (Describe) CORPORATION - ELECTRIC COOPERATIVE

## COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☒ APACHE

☐ COCHISE

☐ COCONINO

☒ GILA

☐ GRAHAM

☒ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☒ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

## SERVICES AUTHORIZED TO PROVIDE

Check the following box/s for the services that you are authorized to provide:

☒ **Electric**

- ☐ Investor Owned Electric
- ☒ Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
  - ☐ Transmission Service Provider
  - ☐ Meter Service Provider
  - ☐ Meter Reading Service Provider
  - ☐ Billing and Collection
  - ☐ Ancillary Services
  - ☐ Generation Provider
  - ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☐ **Gas**

- ☐ Natural Gas
- ☐ Propane

☐ **Other** (Specify) \_\_\_\_\_

## STATISTICAL INFORMATION

### TELECOMMUNICATION UTILITIES ONLY

Total residential access lines	_____
Total business access lines	_____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

**STATISTICAL INFORMATION (CONT'D)**

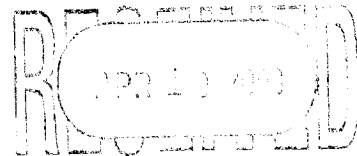
**ELECTRIC UTILITY PROVIDERS ONLY**

Total number of customers	31,376
Residential	28,446
Commercial	2,737
Industrial	5
Public street and highway lighting	23
Irrigation	165
Resale	
Total kilowatt-hours sold	328,734,350 kWh
Residential	171,090,991
Commercial	115,489,018
Industrial	31,260,080
Public street and highway lighting	856,224
Irrigation	10,038,037
Resale	
Maximum Peak Load	59,617 MW

**GAS UTILITIES ONLY**

Total number of customers	
Residential	
Commercial	
Industrial	
Irrigation	
Resale	
Total therms sold	therms
Residential	
Commercial	
Industrial	
Irrigation	
Resale	

# VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only



## VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) NAVAJO
NAME (OWNER OR OFFICIAL) TITLE PAUL O'DAIR MANAGER OF FINANCIAL SERVICES
COMPANY NAME NAVOPACHE ELECTRIC COOPERATIVE, INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

## SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 27,376,975

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 1,521,880  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)



SIGNATURE OF OWNER OR OFFICIAL

(928)368-5118

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

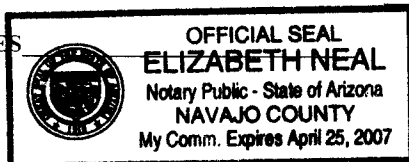
9<sup>th</sup>

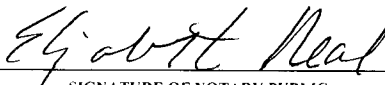
DAY OF

COUNTY NAME NAVAJO
MONTH <u>April</u> YEAR <u>2003</u>

(SEAL)

MY COMMISSION EXPIRES

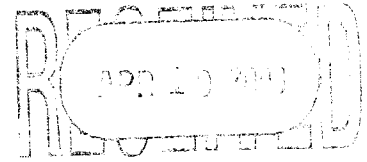




SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION



STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)		
NAME (OWNER OR OFFICIAL)	N/A	TITLE
COMPANY NAME		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ N/A

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X \_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

--

DAY OF

(SEAL)

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	. 20

X \_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

Docket No. \_\_\_\_\_

Year Ending: 12-31-02

Company Name: NAVOPACHE ELECTRIC COOPERATIVE, INC.

Rules to follow in designing the Income Statement and the Balance Sheet:

A. Arizona Administrative Code, R14.2.1115.F, states that one of the items required in this Annual Report is a statement of income for the reporting year similar in format to R14.2.103, Schedule (C) (1) or similar in format to R14.2.103 Schedule (E) (2). Also, the above-referenced Rule states that the income statement shall be Arizona-specific and reflect operating results in Arizona.

Unfortunately, the two Schedules referenced above are both designed for a rate case filing, and, as such, contain certain terminology, such as "test year", "actual (accounting data) for test year", "pro forma adjustments" and "test year results after pro forma adjustments", and contain references to two prior fiscal years, which are not applicable to this Annual Report. The illustration below eliminates the rate case terminology and presents the two acceptable formats for the statement of income (the first based on Schedule (C) (1) and the second on Schedule (E) (2)):

**\*\* THE INCOME STATEMENT SHOULD RESEMBLE EITHER FIGURE 1A OR FIGURE 1B, SHOWN BELOW. (IT'S NOT NECESSARY TO FILE BOTH.) EITHER USE FIGURE 1A OR FIGURE 1B, FOR YOUR INCOME STATEMENT FILING. THE INCOME STATEMENT SHALL BE ARIZONA-SPECIFIC, AND REFLECT OPERATING RESULTS IN ARIZONA: \*\***

FIGURE 1A

<u>Account Description</u>	<u>\$ Amount</u>
Revenues:	25,855,095
Expenses:	23,643,424
Operating Income:	2,211,671
Net Income:	1,762,298

\*NOTE-ESTIMATES ONLY

Attachment I

---



Docket No. \_\_\_\_\_

Year Ending: 12-31-02

Company Name: NAVOPACHE ELECTRIC COOPERATIVE, INC.

B. Arizona Administrative Code, R14.2.1115.F, states that one of the items required in this Annual Report is a balance sheet as of the end of the reporting year similar in format to R14.2.103, Schedule (E) (1). Also, the above-referenced Code section states that the balance sheet shall be Arizona-specific. Unfortunately, the Schedule referenced above is designed for a rate case filing, and, as such, contains certain terminology, such as "test year" and references to two prior Fiscal years, which are not applicable to this Annual Report. The illustration below eliminates the rate case terminology and presents the acceptable format for the balance sheet:

C. ***\*\* THE BALANCE SHEET SHOULD RESEMBLE FIGURE 2 SHOWN BELOW  
AND SHALL BE ARIZONA-SPECIFIC: \*\****

**FIGURE 2**

**Account Description**

**\$ Amount**

**ASSETS**

Property, Plant & Equipment: 45,604,303

Current Assets: 5,873,235

Total Assets: 51,477,538

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Capitalization: 41,086,255

Current Liabilities: 10,391,283

Total Liabilities and Stockholders' Equity: 51,477,538

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION AZ0013			
INSTRUCTIONS-See RUS Bulletin 1717B-2		PERIOD ENDED 12/2002			
7a - Part IV. Loans					
Line No.	Organization (a)	Maturity date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Rural Development (e)
1	Employees, Officers, Directors		24,404	11,576	
2	Energy Resource Conservation Loans		110,717	73,872	
3			0	0	
4			0	0	
5			0	0	
6			0	0	
7			0	0	
8			0	0	
9			0	0	
10			0	0	
11			0	0	
12			0	0	
13			0	0	
14			0	0	
15			0	0	
TOTALS			135,121	85,448	

USDA-RUS <b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION AZ0013	
	PERIOD ENDED 12/2002	
	INSTRUCTIONS-See RUS Bulletin 1717B-2	

**7a - Part II. Loan Guarantees/Part III. Ratio**

Line No.	Organization (a)	Maturity date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Rural Development (e)
1			0	0	
2			0	0	
3			0	0	
4			0	0	
5			0	0	
6			0	0	
7			0	0	
8			0	0	
9			0	0	
10			0	0	
TOTALS			0	0	
TOTAL (Included Loan Guarantees only)			0	0	

Ratio of Investments and Loan Guarantees to Utility Plant [Total of Included Investments (Part I, 11b) and Loan Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form 7, Part C, Line 3)]

1.5 %

<b>USDA-RUS</b> <b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER DESIGNATION</b> AZ0013
	<b>PERIOD ENDED</b> 12/2002
<b>INSTRUCTIONS-See RUS Bulletin 1717B-2</b>	

Line No.	Description (a)	Included (\$) (b)	Excluded (\$) (c)	Income or Loss (\$) (d)	Rural Development (e)
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56					
57					
58					
59					

<b>7. SPECIAL DEPOSITS</b>					
60		0	0		
<b>Total: 7. SPECIAL DEPOSITS</b>		287,733	0		
<b>11. TOTAL INVESTMENTS</b>		1,193,433	2,933,747	4,138	

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION AZ0013			
INSTRUCTIONS-See RUS Bulletin 1717B-2		PERIOD ENDED 12/2002			
7a - Part I. Investments					
Line No.	Description (a)	Included (\$) (b)	Excluded (\$) (c)	Income or Loss (\$) (d)	Rural Development (e)
<b>2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS</b>					
1	CFC Patronage Capital	296,097	0	0	
2	ERMCO Patronage Capital	26,066	0	0	
3	NISC Patronage Capital	871	0	0	
4	Touch Stone	366	0	0	
5	Federated Stock	86,940	0	0	
6	Plains G&T	100	0	0	
7	ERMCO Membership	100	0	0	
8	GCSECA Membership	100	0	0	
9	CFC Capital Term Certificates	0	1,358,631	0	
<b>Total: 2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS</b>		<b>410,640</b>	<b>1,358,631</b>	<b>0</b>	
<b>4. OTHER INVESTMENTS</b>					
10	RUS Weatherization	73,872	0	3,021	
<b>Total: 4. OTHER INVESTMENTS</b>		<b>73,872</b>	<b>0</b>	<b>3,021</b>	
<b>6. CASH - GENERAL</b>					
11	Working Funds	2,500	0		
12	General Cash BankOne	92,430	26,001		
13	General Cash Wells Fargo	44,583	0		
14	General Cash Capital Credits	2,492	0		
15	General Cash Payroll	4,300	0		
16	General Cash Reserve	5,315	0		
17	General Cash Transfers	757	0		
18	General Cash Community First	73,727	0		
19	General Cash 125 MRB BankOne	21	0		
<b>Total: 6. CASH - GENERAL</b>		<b>226,125</b>	<b>26,001</b>		
<b>7. SPECIAL DEPOSITS</b>					
20	Arizona Corporation Commission EPS	287,733	0		
<b>Total: 7. SPECIAL DEPOSITS</b>		<b>287,733</b>	<b>0</b>		
<b>8. TEMPORARY INVESTMENTS</b>					
21	BankOne Trust Division	0	1,549,115		
<b>Total: 8. TEMPORARY INVESTMENTS</b>		<b>0</b>	<b>1,549,115</b>		
<b>9. ACCOUNTS &amp; NOTES RECEIVABLE - NET</b>					
22	Notes Receivable	11,567	0	1,117	
23	Accounts Receivable	183,496	0	0	
<b>Total: 9. ACCOUNTS &amp; NOTES RECEIVABLE - NET</b>		<b>195,063</b>	<b>0</b>	<b>1,117</b>	
24					
25					
26					
27					
28					
29					
30					

USDA-RUS <b>FINANCIAL AND STATISTICAL REPORT</b>		BORROWER DESIGNATION AZ0013		
INSTRUCTIONS-See RUS Bulletin 1717B-2		PERIOD ENDED 12/2002		
<b>Part O. Power Requirements Data Base - Annual Summary</b>				
CLASSIFICATION	Consumer Sales & Revenue Data	December (a)	Average No. Consumers Served (b)	Total Year to Date (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	18,842	19,348	
	b. kWh Sold			143,068,267
	c. Revenue			11,860,694
2. Residential Sales - Seasonal	a. No. Consumers Served	10,488	10,339	
	b. kWh Sold			34,409,434
	c. Revenue			3,996,025
3. Irrigation Sales	a. No. Consumers Served	252	212	
	b. kWh Sold			10,110,338
	c. Revenue			726,949
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	3,031	3,087	
	b. kWh Sold			118,470,258
	c. Revenue			8,090,371
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	5	5	
	b. kWh Sold			31,260,060
	c. Revenue			1,372,598
6. Public Street & Highway Lighting	a. No. Consumers Served	23	23	
	b. kWh Sold			899,904
	c. Revenue			62,983
7. Other Sales to Public Authorities	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
8. Sales for Resales - RUS Borrowers	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
9. Sales for Resale - Other	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
10. TOTAL No. of Consumers (lines 1a thru 9a)		32,641	33,014	
11. TOTAL kWh Sold (lines 1b thru 9b)				338,218,281
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)				26,109,620
13. Other Electric Revenue				538,878
14. kWh - Own Use				956,892
15. TOTAL kWh Purchased				359,294,465
16. TOTAL kWh Generated				0
17. Cost of Purchases and Generation and Transmission Expense				11,329,460
18. Interchange - kWh - Net				0
19. System Peak - Sum Annual Peak kW input from all Sources (Metered)				59,617
Non-coincident _____ Coincident <u>  X  </u>				

BORROWER DESIGNATION  
AZ0013

PERIOD ENDED

12/2002

INSTRUCTIONS-Sec RUS Bulletin 1717B-2

## Part N. Long-Term Debt and Debt Service Requirements

Page 4.4

USDA-RUS <b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION AZ0013
	PERIOD ENDED 12/2002

INSTRUCTIONS-See RUS Bulletin 1717B-2

**Part M. Annual Meeting and Board Data**

1. Date of Last Annual Meeting  09/07/2002	2. Total Number of Members  27,279	3. Number of Members Present at Meeting  241	4. Was Quorum Present (Y/N) ?  Y
5. Number of Members Voting by Proxy or Mail  0	6. Total Number of Board Members  8	7. Total Amount of Fees and Expenses for Board Members  134,006	8. Does Manager Have Written Contract (Y/N) ?  N



BORROWER DESIGNATION
AZ0013

PERIOD ENDED

### Part L. Long Term Leases

USDA-RUS <b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION	
	AZ0013	
	PERIOD ENDED	
		12/2002
INSTRUCTIONS-See RUS Bulletin 1717B-2		

**Part K. kWh Purchased and Total Cost**

Line No.	ITEM (a)	RUS Use Only Supplier Code (b)	kWh Purchased (c)	Total Cost (d)	Average Cost (Cents/kWh) (e)	Included in Total Cost Fuel Cost Adjustment (f)	Included in Total Cost Wheeling and Other Charges (or credits) (g)
1	Public Service Company of NM	15473	359,294,465	11,097,291	3.09	0	0
2		0	0	0	0.00	0	0
3		0	0	0	0.00	0	0
4		0	0	0	0.00	0	0
5		0	0	0	0.00	0	0
6		0	0	0	0.00	0	0
7		0	0	0	0.00	0	0
8		0	0	0	0.00	0	0
9		0	0	0	0.00	0	0
10		0	0	0	0.00	0	0
11		0	0	0	0.00	0	0
12		0	0	0	0.00	0	0
13		0	0	0	0.00	0	0
14		0	0	0	0.00	0	0
15		0	0	0	0.00	0	0
16		0	0	0	0.00	0	0
17		0	0	0	0.00	0	0
18		0	0	0	0.00	0	0
19		0	0	0	0.00	0	0
20		0	0	0	0.00	0	0
<b>Total</b>			359,294,465	11,097,291	3.09	0	0

USDA-RUS <b>FINANCIAL AND STATISTICAL REPORT</b> INSTRUCTIONS-See RUS Bulletin 1717B-2	BORROWER DESIGNATION AZ0013	
	PERIOD ENDED 12/2002	

Part I. Patronage Capital			
ITEM	DESCRIPTION	This Year (a)	Cumulative (b)
1. Capital Credits Distributions	a. General Retirements	0	2,654,881
	b. Special Retirements	64,629	1,025,613
	c. Total Retirements (a + b)	64,629	3,680,494
2. Capital Credits Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	0	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	0	
	c. Total Cash Received (a + b)	0	

Part J. Due from Consumers for Electric Service		Amount
1. AMOUNT DUE OVER 60 DAYS		29,158
2. AMOUNT WRITTEN OFF DURING YEAR		62,995

USDA-RUS <b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION	
	AZ0013	
	PERIOD ENDED	
INSTRUCTIONS-See RUS Bulletin 1717B-2		12/2002

### Part E. Changes in Utility Plant

PLANT ITEM	Balance Beginning of Year	Additions	Retirements	Adjustments and Transfers	Balance End of Year
Distribution Plant	55,332,597	3,107,038	385,186	( 242,397)	57,812,052
General Plant	8,115,330	412,230	163,556	0	8,364,004
Headquarters Plant	1,580,858	5,098	0	0	1,585,956
Intangibles	228,075	0	0	0	228,075
Transmission Plant	6,448,611	0	0	0	6,448,611
All Other Utility Plant	224,077	0	0	0	224,077
Total Utility Plant in Service (1 thru 6)	71,929,548	3,524,366	548,742	( 242,397)	74,662,775
Construction Work in Progress	3,592,544	402,869			3,995,413
TOTAL UTILITY PLANT (7 - 8)	75,522,092	3,927,235	548,742	( 242,397)	78,658,188

### Part F. Materials and Supplies

ITEM	Balance Beginning of Year (a)	Purchased (b)	Salvaged (c)	Used (Net) (d)	Sold (e)	Adjustment (f)	Balance End of Year (g)
1. Electric	1,731,974	1,485,227	62,966	1,401,824	3,080	( 30,405)	1,844,858
2. Other	40,957	167,026	0	0	226,605	22,944	4,322

### Part G. Service Interruptions

ITEM	Avg. Hours per Consumer by Cause  Power Supplier (a)	Avg. Hours per Consumer by Cause  Extreme Storm (b)	Avg. Hours per Consumer by Cause  Prearranged (c)	Avg. Hours per Consumer by Cause  All Other (d)	TOTAL  (e)
1. Present Year	1.40	0.37	0.14	2.75	4.66
2. Five-Year Average	0.43	0.67	0.15	2.03	3.28

### Part H. Employee-Hour and Payroll Statistics

	Amount
	109
1. Number of Full Time Employees	220,846
2. Employee - Hours Worked - Regular Time	11,551
3. Employee - Hours Worked - Overtime	3,578,272
4. Payroll - Expensed	1,241,423
5. Payroll - Capitalized	1,039,607
6. Payroll - Other	

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION AZ0013	
INSTRUCTIONS-See RUS Bulletin 717B-2		PERIOD ENDED 12/2002	
Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	74,662,776	29. Memberships	136,395
2. Construction Work in Progress	3,995,412	30. Patronage Capital	10,648,246
3. Total Utility Plant (1 + 2)	78,658,188	31. Operating Margins - Prior Years	( 3,984,773)
4. Accum. Provision for Depreciation and Amort.	32,400,274	32. Operating Margins - Current Year	1,906,141
5. Net Utility Plant (3 - 4)	46,257,914	33. Non-Operating Margins	( 530,188)
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	758,897
7. Investments in Subsidiary Companies	0	35. Total Margins & Equities (29 thru 34)	8,934,718
8. Invest. in Assoc. Org. - Patronage Capital	323,400	36. Long-Term Debt - RUS (Net)	22,152,945
9. Invest. in Assoc. Org. - Other - General Funds	57,240	(Payments - Unapplied)	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	1,358,631	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	0	38. Long-Term Debt - FFB - RUS Guaranteed	0
12. Other Investments	73,872	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	7,085,024
14. Total Other Property & Investments (6 thru 13)	1,843,143	41. Total Long-Term Debt (36 thru 40)	29,237,969
15. Cash - General Funds	252,126	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions	463,127
17. Special Deposits	287,733	44. Total Other Noncurrent Liabilities (42 + 43)	463,127
18. Temporary Investments	1,549,115	45. Notes Payable	7,000,000
19. Notes Receivable (Net)	11,567	46. Accounts Payable	1,587,189
20. Accounts Receivable - Sales of Energy (Net)	1,700,817	47. Consumers Deposits	336,450
21. Accounts Receivable - Other (Net)	183,496	48. Current Maturities Long-Term Debt	1,120,026
22. Materials and Supplies - Electric & Other	1,849,180	49. Current Maturities Long-Term Debt-Economic Development	0
23. Prepayments	100,811	50. Current Maturities Capital Leases	0
24. Other Current and Accrued Assets	162,263	51. Other Current and Accrued Liabilities	853,571
25. Total Current and Accrued Assets (15 thru 24)	6,097,108	52. Total Current & Accrued Liabilities (45 thru 51)	10,897,236
26. Regulatory Assets	0	53. Regulatory Liabilities	0
27. Other Deferred Debits	205,071	54. Other Deferred Credits	4,870,186
28. Total Assets and Other Debits (5+14+25 thru 27)	54,403,236	55. Total Liabilities and Other Credits (35+ 41 + 44 + 52 thru 54)	54,403,236

<b>USDA-RUS</b>  <b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER DESIGNATION</b> <b>AZ0013</b>  <b>PERIOD ENDED</b> <b>12/2002</b>
INSTRUCTIONS-See RUS Bulletin 1717B-2	

**Part A. Statement of Operations**

ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)	Year-to-date Budget (c)	This Month (d)
1. Operating Revenue and Patronage Capital	27,490,921	26,648,498	30,007,352	2,714,475
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	14,839,641	11,097,291	16,748,289	1,383,655
4. Transmission Expense	152,457	232,169	265,393	13,316
5. Distribution Expense - Operation	2,306,492	2,347,689	2,202,602	222,080
6. Distribution Expense - Maintenance	1,222,778	1,323,338	968,501	103,842
7. Customer Accounts Expense	2,139,511	2,020,994	1,846,538	151,802
8. Customer Service and Informational Expense	319,043	276,890	239,622	29,543
9. Sales Expense	148,238	146,291	196,539	6,119
10. Administrative and General Expense	3,040,248	2,910,856	2,835,148	247,796
11. Total Operation & Maintenance Expense (2 thru 10)	24,168,408	20,355,518	25,301,632	2,158,163
12. Depreciation and Amortization Expense	2,364,826	2,507,994	2,345,184	233,195
13. Tax Expense - Property & Gross Receipts	9,109	20,299	0	1,880
14. Tax Expense - Other	16,185	17,206	0	1,297
15. Interest on Long-Term Debt	1,709,757	1,503,660	1,779,792	117,292
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	356,939	319,572	95,191	15,231
18. Other Deductions	16,093	78,406	18,132	543
19. Total Cost of Electric Service (11 thru 18)	28,641,317	24,802,655	29,539,931	2,527,601
20. Patronage Capital & Operating Margins (1 minus 19)	( 1,150,396)	1,845,843	467,421	186,874
21. Non Operating Margins - Interest	137,294	73,309	118,531	6,278
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	0	0
24. Non Operating Margins - Other	( 221,395)	( 194,848)	( 45,000)	( 15,590)
25. Generation and Transmission Capital Credits	0	0	0	0
26. Other Capital Credits and Patronage Dividends	110,609	60,258	90,679	( 76)
27. Extraordinary Items	0	( 408,649)	0	0
28. Patronage Capital or Margins (20 thru 27)	( 1,123,888)	1,375,353	631,631	177,486

**Part B. Data on Transmission and Distribution Plant**

ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)
1. New Services Connected	1,302	1,150
2. Services Retired	715	1,985
3. Total Services in Place	35,696	34,861
4. Idle Services (Exclude Seasonal)	1,513	1,839
5. Miles Transmission	229	229
6. Miles Distribution - Overhead	2,438	2,459
7. Miles Distribution - Underground	307	326
8. Total Miles Energized (5 + 6 + 7)	2,974	3,014

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

BORROWER DESIGNATION

AZ0013

PERIOD ENDED

12/2002

**FINANCIAL AND STATISTICAL REPORT**

BORROWER NAME AND ADDRESS

Navopache Electric Cooperative, Inc.

PO Box 308

1878 W. White Mtn Blvd. HWY 260

Lakeside, AZ 85929-

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.


We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII  
(check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

  
Paul O'Dain, Manager of Financial Services

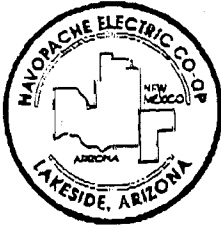
02/21/2003

DATE

  
Wayne A. Retzlaff, General Manager

02/21/2003

DATE



**Navopache Electric Cooperative, Inc.**

P.O. Box 308

Lakeside, AZ 85929

Telephone: (928) 368-5118

800-543-6324

FAX: (928) 368-6038

Date: April 11, 2003

TO: Carmen Madrid  
ACC

FROM: Paul O'Sain  
Navopache Elect.

Number of pages including cover page: 15

If you did not receive all pages, please call immediately

ext. 334

Remarks:

ask for Elizabeth Neal

box 602-~~543-2129~~ 364-2270

107-542-0848